

Active labour market policy is a widely used labour market intervention, which should increase the efficiency of labour market and help increase regular employment. However, its real impacts on labour market conditions are ambiguous. Although the literature concerning effectiveness of active labour market policy (ALMP) measures is extensive, there is no conclusive evidence regarding which ALMP measures are efficient and to what extent. The effectiveness of active labour market policy depends on many circumstances including characteristics of a given measure and conditions on a given labour market. Therefore, decisions regarding implementation of ALMP measures should be based on high-quality and systematic evaluation of impacts of these measures in the given labour market. In the Czech Republic there is no regular system of active labour market policy evaluation, but the need of evaluation is even more serious in the current economic crisis.

The thesis offers both theoretical and empirical analysis of the active labour market policy effectiveness. Theoretical analysis introduces a comprehensive labour market model, which results from findings of existing literature and enables us to identify macroeconomic effects of ALMP measures on aggregate labour market situation. Second part of this thesis introduces an empirical analysis of macroeconomic effects of ALMP measures in the Czech Republic regions. Results of this analysis show that training measures, subsidised employment and measures financed from the EU Structural Funds do have negative effects on total jobless rate. The magnitude of these effects is however relatively small and for direct job creation schemes there were no significant effects found. Although these results are in accordance with relevant evaluation literature, the thesis emphasizes the need of further research of active labour market policy effectiveness in the Czech Republic.